

**DEPARTMENT OF FOOD AND AGRICULTURE**

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**William (Bill) J. Lyons, Jr., Secretary**

May 9, 2003

**RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASS 1 MARKET MILK****TO ALL INTERESTED PARTIES:**

On the reverse side of this page are the minimum prices for Class 1 market milk for June 2003. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Class 1 purposes as specified on the reverse side of this page. Component and hundredweight prices include Milk Producers Security Trust Fund charges effective June 1, 2002.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

This price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK. You can also access this information over the Internet on the Department's Homepage. The address is <http://www.cdfa.ca.gov/dairy>. From the Homepage, select [Prices] from the Shortcuts sidebar. Once there, be sure to make a bookmark for future reference.

For more information, please contact us at the phone numbers or e-mail address above.

Sincerely,

David K. Ikari, Chief  
Dairy Marketing Branch

# **MINIMUM PRICES FOR CLASS 1 MARKET MILK F.O.B. PROCESSING PLANT**

**Released:**                      **May 9, 2003**

| <b>CLASS 1:<br/>For June 2003</b>   | <b>LB. FAT</b> | <b>LB. SNF</b> | <b>LB. FLUID</b> | <b>EQUIVALENT<br/>PER CWT.</b> |
|-------------------------------------|----------------|----------------|------------------|--------------------------------|
| Northern California                 | \$1.1897       | \$0.6895       | \$0.0185         | \$11.79                        |
| Southern California                 | \$1.1897       | \$0.6895       | \$0.0216         | \$12.06                        |
| <b>Statewide Average CWT Price:</b> |                |                |                  |                                |
| Based Upon Production               |                |                |                  | \$11.84                        |
| Based Upon Utilization              |                |                |                  | \$11.92                        |

| <b>COMMODITY MARKET PRICES:</b>  | <b>\$ PER LB.</b> |
|--|-------------------|
| Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (April 26th to May 10th)      | \$1.0867          |
| Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (April 26th to May 10th) | \$1.1510          |
| California Extra Grade & Grade A Nonfat Dry Milk - (For Weeks Ending April 25th and May 2nd)     | \$0.8013          |

**COMMODITY REFERENCE PRICE FOR JUNE CLASS 1 PRICING:** **\$11.5462**

*Component and hundredweight prices include Milk Producer Security Trust Fund charges effective June 1, 2002.*

July 2003 Class 1 price will be announced no later than 4:00 p.m. on June 10, 2003  
 May 2003 Class 4a and 4b prices and June and July Class 2 and 3 prices will be announced no later than 4:00 p.m. on May 30, 2003.